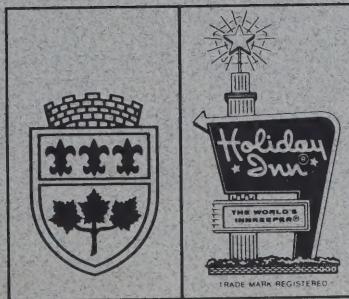


COMMONWEALTH
Holiday Inns
OF CANADA LIMITED

1973 Annual Report



Financial Highlights

Year ended October 31, 1973 (Canadian Currency)

	1973	1972*	Change
Sales	\$ 75,909,304	\$56,842,588	+34%
Earnings before taxes	\$ 5,615,594	\$ 4,589,200	+22%
Provision for income taxes**	\$ 2,975,000	\$ 2,424,000	
Net earnings	\$ 2,640,594	\$ 2,165,200	+22%
Per share	50¢	41¢	
Cash flow from operations***	\$ 9,412,941	\$ 7,659,588	+23%
Per Share	\$1.77	\$1.44	
Working capital	\$ 62,027	\$ 1,955,621	
Additions to plant & equipment	\$ 28,523,564	\$22,989,803	
Total assets at year end	\$ 119,591,737	\$89,516,127	+34%

*1972 results restated to reflect a modification in accounting for certain non-operating expenses in the period immediately following an Inn opening and for an increase in taxes on income.

**No income taxes were payable in 1973 and 1972, although full provision has been made for taxes on a deferred basis.

***Cash flow consists of net earnings plus charges against net earnings which do not require an outlay of funds.

Corporate Information

Corporate Offices

304 York Street
London, Ontario N6B 1P8

Regional Offices

Holiday Inn, Swiss Cottage
128 King Henry's Road
London, NW3 3ST
England

Imperial Bank of Commerce Building
Broad Street
Room 303
Bridgetown, Barbados

Sales Offices

CANADA
Montreal, Que.
Toronto, Ont.
Calgary, Alta.
Vancouver, B.C.

UNITED STATES

New York, New York
Buffalo, New York

EUROPE

London, England

Registrar and Transfer Agent

The Registrar for the Common Shares is Canada Permanent Trust Company at its principal offices at Toronto, Montreal, London, Winnipeg, Regina, Calgary and Vancouver. The Transfer Agent for the Common Shares is The Royal Trust Company at its principal offices at Toronto, Montreal, London, Winnipeg, Regina, Calgary and Vancouver.

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INNS IN OPERATION

CANADA

ONTARIO
Kenora
Thunder Bay
Sudbury
Windsor
Chatham
Sarnia
London - South
London - Downtown
Kitchener
Cambridge (Hespeler-Galt)
Brantford
Hamilton
Burlington
St. Catharines

ALBERTA

Edmonton
Lethbridge

NOVA SCOTIA
Sydney

QUEBEC
Longueuil

MICHIGAN
Pontiac

CARIBBEAN
Barbados
St. Lucia
St. Kitts

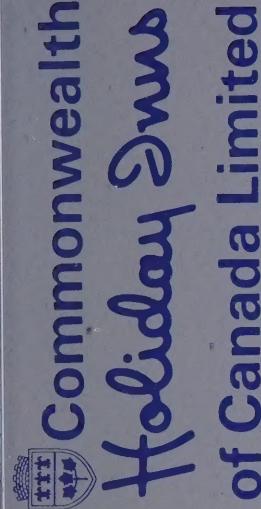
EUROPE
UNITED KINGDOM
Plymouth
London - Swiss Cottage
London - Marble Arch

PORTUGAL
Bristol, U.K.*
Ont.**
Winnipeg, Man.*
Halifax, N.S.**
Pointe Claire, Que.**
Quebec City, Que.**
Trinidad - Tobago, W.I.*
Algarve, Portugal**

Slough, U.K.*
Newcastle, U.K.**
B.C.**
Vancouver - Harbour Side,
Vancouver - Broadway, B.C.**
Grand Island - Niagara, N.Y.*
Tignes, France*

UNDER CONSTRUCTION

*Opening 1973
**Opening 1974-75



INTERIM REPORT

FOR THE SIX MONTHS
ENDED APRIL 30, 1973



TRADE MARK REGISTERED

COMMONWEALTH **Holiday Inns**
OF CANADA LIMITED

CONSOLIDATED STATEMENT OF EARNINGS — Unaudited

	Six Months Ended	
	1973	April 30th 1972 (Note)
Sales	<u>\$29,614,700</u>	<u>\$21,642,600</u>
Earnings Before Taxes on Income	<u>52,800</u>	<u>189,000</u>
Taxes on Income — Deferred	<u>5,500</u>	<u>90,500</u>
Net Earnings	<u>47,300</u>	<u>98,500</u>
Earnings Available to Common Shareholders	<u>47,300</u>	<u>98,500</u>
Per Share — On Average Outstanding	<u>.01</u>	<u>.02</u>
Cash Flow from Operations	<u>1,765,400</u>	<u>1,477,900</u>
Average Common Shares Outstanding	<u>5,315,012</u>	<u>5,305,458</u>
Actual Common Shares Outstanding	<u>5,317,731</u>	<u>5,307,181</u>

TO THE SHAREHOLDERS:

The unaudited results for the first six months of the Company's fiscal year show a small profit. Historically, this has been the seasonal pattern of the Company's operations during the winter months. The large increase in sales reported for the period is attributable in part to new rooms added during the past 12 months.

The Company is presently operating 43 Holiday Inns comprising 8,240 guest rooms, approximately 2,000 of which have been added during the past year. These new rooms and those of the mature Inns (which are now reporting increased levels of business) are expected to yield substantial profit during the high tourist season now beginning.

I am pleased to report that the newly opened Holiday Inns at Marble Arch and Swiss Cottage in London, England and the most recent addition to Canadian operations, the Holiday Inn of Burlington, have gained immediate acceptance and are currently enjoying very satisfactory sales and occupancy levels.

The Company has entered the second half of its financial year on a favourable base and it is anticipated that year-end sales and earnings will be significantly higher than those of last year.

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS — Unaudited

Working Capital At Beginning Of Period	<u>\$ 1,955,600</u>	<u>\$ 1,996,400</u>
SOURCE OF FUNDS:		
Net Earnings	<u>47,300</u>	<u>98,500</u>
Add — Non-Cash Charges		
Depreciation and Amortization	<u>1,772,000</u>	<u>1,314,500</u>
Deferred Income Taxes	<u>5,500</u>	<u>90,500</u>
Other Non-Cash Items	<u>(59,400)</u>	<u>(25,600)</u>
	<u><u>1,765,400</u></u>	<u><u>1,477,900</u></u>
Gain on Foreign Exchange	<u>265,200</u>	<u>—</u>
Mortgages and Other Long Term Loans	<u>10,930,300</u>	<u>9,355,500</u>
Sale of Shares	<u>103,400</u>	<u>21,300</u>
	<u><u>13,064,300</u></u>	<u><u>10,854,700</u></u>
APPLICATION OF FUNDS:		
Purchase of Fixed Assets	<u>13,583,000</u>	<u>8,715,800</u>
Investments (Net)	<u>207,000</u>	<u>125,900</u>
Opening, Development and Borrowing Costs — Deferred	<u>1,551,800</u>	<u>1,171,300</u>
Reduction of Long Term Debt	<u>1,352,300</u>	<u>3,698,400</u>
Franchises	<u>203,000</u>	<u>73,900</u>
	<u><u>16,997,100</u></u>	<u><u>13,785,300</u></u>
Working Capital Deficit At End Of Period	<u><u><u>\$ (1,877,200)</u></u></u>	<u><u><u>\$ (934,200)</u></u></u>

D. Rubenoff,
Chairman of the Board.

NOTE:
Results for 1972 have been restated to reflect the effect of the transfer of the Company's Caribbean Inns to Allied Innkeepers (Bermuda) Limited which was completed after the end of the Second Quarter but was retroactive in its effect.

Report to the Shareholders

On behalf of the Board of Directors, we are pleased to present the annual report on operations and the financial statements of your Company for the year ended October 31, 1973.

Revenue, net earnings and cash flow reached record levels for the Company during 1973.

- Operating revenue rose to \$75,909,304, an increase of 34% over the previous year.
- Net earnings increased by 22% to \$2,640,594 or 50¢ per share compared with restated earnings of \$2,165,200 or 41¢ per share in 1972.
- Cash flow from operations reached \$9,412,941 or \$1.77 per share compared with \$7,659,588 or \$1.44 per share in 1972. Cash flow reflects funds generated internally and which are available to meet current obligations and finance continued growth. In an expanding Company such as yours, cash flow is of considerable importance in measuring its financial capabilities.

During 1973, seven Holiday Inns were added to the operations of your Company. Included were four Inns in the United Kingdom - two in London, one at Slough/Windsor and one in Bristol. These Inns bring to 10 the number operated in England by the Company and by Holiday Inns, Inc., establishing a strong reservation referral system in that country. With the recently opened Inns in Winnipeg, Manitoba, Collingwood, Ontario, Tignes, France and Port of Spain, Trinidad, the Company is now operating 50 Holiday Inns comprised of 10,288 guest rooms. The growth record achieved in the relatively short period of 12 years is without parallel in the Canadian hotel industry. In the remaining months of the 1974 fiscal year, nine additional Inns are scheduled to open, seven of which are in Canada and one in each of the United Kingdom and Portugal.

The commencement of construction of the 868-room Holiday Inn Dominion Square in downtown Montreal was recently announced by the Company. When completed in 1976, the new Inn will be operated under a joint venture arrangement with Atlific Inns, Inc. This Inn will be the largest Holiday Inn in the world, a position now held by the Holiday Inn Toronto-Downtown operated by your Company.

Much has been said and written about the worldwide energy situation and its possible effect on business generally and on tourism. It is perhaps premature to forecast with certainty the effect on tourism during 1974. Pleasure travel has been curtailed in the United States, the major source of tourism in Canada, and as a result, week end occupancies in urban hotels in such cities as Toronto and Montreal are presently lower than last year. We believe, however, that Canada's abundant supply of gasoline will attract an increased number of tourists during the summer months ahead and at the same time, shortages in other countries will encourage Canadians to vacation in Canada, all of which should contribute to increased volumes for our Canadian Inns.

In an Interim Report released in September, shareholders were advised of a possible extraordinary loss which might occur during 1974 as the result of a foreign currency mortgage transaction on one of the Company's Inns. At that time, based on the then prevailing rate of exchange, this loss

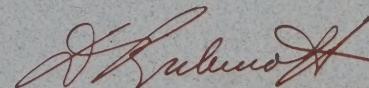


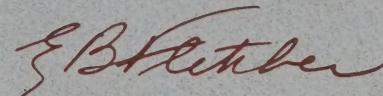
Ernest B. Fletcher, President David Rubinoff, Chairman of the Board

would have been in the order of \$650,000. Recent strengthening of the Canadian dollar has reduced this amount to less than \$180,000.

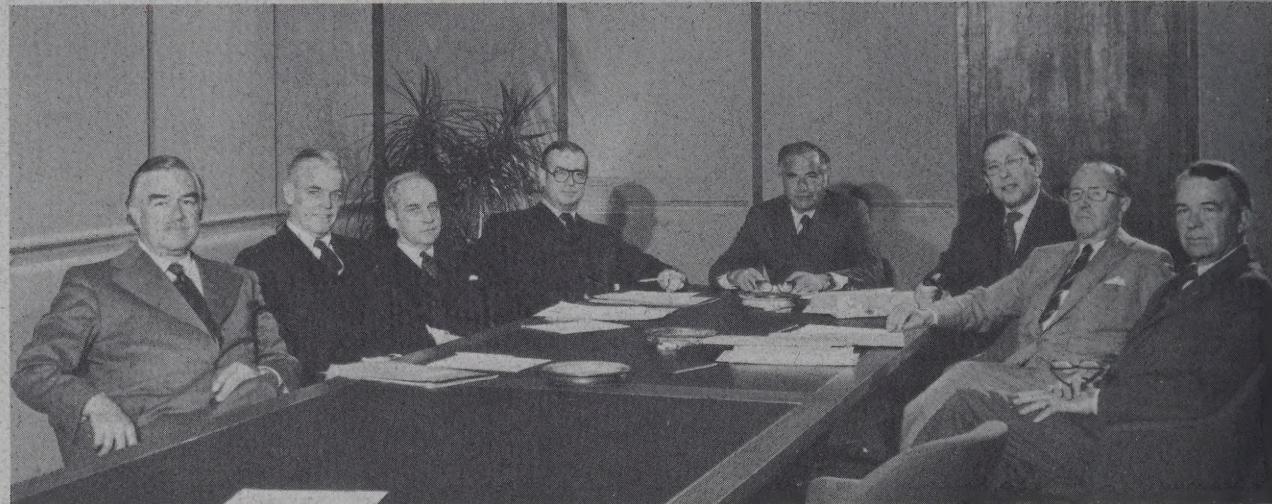
The achievements of the past year were due in large measure to the conscientious efforts of the Company's employees across Canada and abroad. On behalf of the Directors, we would like to extend to them our sincere appreciation. We are confident their enthusiasm and talents will assure the continued success of your Company.

March 1, 1974


Chairman of the Board
and Chief Executive Officer


President
and Chief Operating Officer

Directors and Officers



From left to right: Hon. John P. Robarts, P.C., Q.C.; Frank W. Adams; Albert E. Shepherd, Q.C.; David B. Weldon; David Rubinoff; Ernest B. Fletcher; Frederick W. P. Jones; Ludwick M. Clymer

Directors

David Rubinoff*
Chairman of the Board
and Chief Executive Officer
Commonwealth Holiday Inns of Canada Limited,
London, Ontario.

Ernest B. Fletcher*
President and Chief Operating Officer
Commonwealth Holiday Inns of Canada Limited,
London, Ontario.

Albert E. Shepherd, Q.C.*†
Senior Vice President
Commonwealth Holiday Inns of Canada Limited,
Barrister and Solicitor, Partner of Shepherd,
McKenzie, Plaxton, Little & Jenkins, London,
Ontario.

David B. Weldon*†
President
Midland Doherty Limited, Toronto, Ontario.

Frank W. Adams
Senior Vice President
Finance and Treasurer
Holiday Inns Inc., President, Commercial Services
Division, Holiday Inns Inc., Memphis,
Tennessee.

Frederick W. P. Jones*†
Professor
School of Business Administration, University
of Western Ontario, London, Ontario.

Ludwick M. Clymer
President
Holiday Inns Inc., Memphis, Tennessee.

Hon. John P. Robarts, P.C., Q.C.
Barrister and Solicitor
Partner of Stikeman, Elliott, Robarts and Bowman,
Toronto, and Robarts, Betts, McLennan
and Flinn, London, Ontario.

*Member of the Executive Committee
†Member of the Audit Committee

Corporate Officers

David Rubinoff
Chairman of the Board
and Chief Executive Officer

Ernest B. Fletcher
President and Chief
Operating Officer

Edward C. Campbell
Senior Vice President,
Operations Administrator

Robert A. Rubinoff
Senior Vice President, Director
of European Operations

Albert E. Shepherd, Q.C.
Senior Vice President,
General Counsel

Ronald M. Thomas
Senior Vice President,
Finance & Corporate Planning

Andre R. Pettigrew
Group Vice President & Treasurer

Philip Eprile
Vice President, Design and Planning

W. Harvey Gleason
Vice President and Controller

Charles H. King
Vice President and Secretary

John C. Logan
Vice President, Project Development

Raymond R. Yelle
Vice President, Caribbean
Finance and Development

Jeanette M. Stevens
Assistant Vice President and
Assistant Secretary

Division Vice Presidents

Charles A. Cline
Director of Personnel

Hans J. Demuth
Director of Food & Beverage

James A. Havers
District Director

Ian M. Marshall
Director of Advertising and
Public Relations

John C. Peskett
Director of Sales

Theodore Smits
Director of Construction,
Planning and Maintenance

George J. Zaritzky
Director of Financial Planning

Assistant Vice Presidents

Juergen E. Bartels
District Director

Lewis Blum
District Director

Bert M. Bornhoeft
District Director

Anthony G. Malloy
Director of Internal Audit

Lloyd D. Monteith, Assistant Controller

John B. Pleasence, District Director

Frederick W. Sillett
Insurance and Assessments

Shirley M. Smith, Personnel Manager

Other Executives

William R. Janzen
Director of Systems and

Data Processing

Lorenzo Tommasi, District Director

Philip Eprile Associates Limited
Associated Innkeeper's Supply
Company

Philip Eprile, President

Commonwealth Holiday Inns of Canada Limited

CONSOLIDATED STATEMENT OF EARNINGS

Year ended October 31, 1973 (with comparative amounts for 1972)	1973	1972
Sales (including management fees of \$490,677 in 1973, \$333,933 in 1972)	\$75,909,304	\$56,842,588
Earnings from operations before charges as set out below	\$21,592,610	\$16,362,025
Rent	7,942,355	5,283,504
Depreciation and amortization— <i>Note 3</i>	2,980,682	2,347,803
Amortization of deferred expenses— <i>Note 5</i>	606,853	437,773
Interest on long term debt	4,202,126	3,383,745
	15,732,016	11,452,825
	5,860,594	4,909,200
Equity in losses of affiliate— <i>Note 4</i>	245,000	320,000
Earnings for year before taxes on income	5,615,594	4,589,200
Taxes on income—deferred— <i>Note 8</i>	2,975,000	2,424,000
Net earnings for year	\$ 2,640,594	\$2,165,200
Earnings per share—<i>Note 15</i>	\$0.50	\$0.41

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	1973	1972
Balance beginning of year , as previously reported	\$7,213,847	\$5,091,647
Adjustments in respect of—		
Modification in accounting for certain non-operating expenses in the period immediately following an Inn opening— <i>Note 3</i>	130,000	
Increases in taxes on income for 1972 and 1971— <i>Note 8</i>	(232,000)	(145,000)
Balance beginning of year —as restated	7,111,847	4,946,647
Net earnings for year	2,640,594	2,165,200
Balance end of year	\$9,752,441	\$7,111,847

CONSOLIDATED STATEMENT OF CONTRIBUTED SURPLUS

	1973	1972
Balance beginning of year	\$4,173,450	\$4,147,562
Excess over par value of common shares issued during year— <i>Note 9</i>	93,575	25,888
Balance end of year	\$4,267,025	\$4,173,450

(See accompanying notes)

Consolidated balance sheet

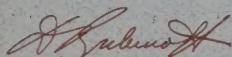
October 31, 1973 (with comparative amounts for 1972)

ASSETS	1973	1972
Current:		
Cash	\$ 4,130,928	\$ 5,186,795
Accounts receivable	5,728,805	4,125,155
Amount due under sale commitment— <i>Note 2</i>	3,850,000	
Inventories—at the lower of cost or net realizable value	1,606,687	1,052,133
Prepaid expenses	1,021,308	768,111
	16,337,728	11,132,194
Fixed—at cost—Notes 3 and 14:		
Land	3,568,011	3,848,375
Buildings and leaseholds	43,591,799	32,706,768
Furniture and equipment, roadways, swimming pools, etc.	22,546,880	20,299,406
	69,706,690	56,854,549
Less accumulated depreciation and amortization	9,141,739	7,584,417
Major renovations (net of amortization to date of \$759,246 in 1973 and \$559,879 in 1972)	60,564,951	49,270,132
	2,041,868	1,605,668
	62,606,819	50,875,800
Inns under construction		
—at cost (of which land amounts to \$3,530,916 in 1973; \$3,043,300 in 1972)	27,527,740	16,083,758
Investments—Note 4	6,942,168	6,819,157
Deferred costs and franchises:		
Opening and development cost—net— <i>Note 5</i>	3,808,727	2,686,663
Cost of borrowing—net— <i>Note 5</i>	922,617	747,548
Franchises—Holiday Inns, Inc.—at cost	1,445,938	1,171,007
	6,177,282	4,605,218
	\$119,591,737	\$89,516,127

(See accompanying notes)

LIABILITIES	1973	1972
Current:		
Accounts payable and accrued charges	\$ 10,766,862	\$ 6,986,788
Taxes payable (other than income taxes)	786,098	563,112
Long term debt payable within one year	4,722,741	1,626,673
	16,275,701	9,176,573
Long term debt—Note 6	70,568,181	54,322,311
Deferred gains—Note 7	1,272,300	962,598
Deferred income taxes—Note 8	11,521,602	7,959,602
Minority interest in subsidiary company	616,756	501,865
Shareholders' equity:		
Capital—Note 9		
<i>Authorized:</i>		
7,425,000 common shares of \$1 par value each	<u>\$7,425,000</u>	
<i>Issued and fully paid:</i>		
5,317,731 common shares (5,307,881 shares in 1972)	5,317,731	5,307,881
Contributed surplus	4,267,025	4,173,450
Retained earnings—Note 10	9,752,441	7,111,847
	19,337,197	16,593,178
	\$119,591,737	\$89,516,127

On behalf of the Board



Director



Director

Consolidated statement of source and application of funds

Year ended October 31, 1973 (with comparative amounts for 1972)

	1973	1972
Working capital beginning of year	\$ 1,955,621	\$1,996,390
Source of funds:		
Operations consisting of:		
Net earnings for year	2,640,594	2,165,200
<i>Add</i>		
Deferred income taxes	2,975,000	2,424,000
Depreciation and amortization	3,587,535	2,785,576
Other non-cash items	209,812	284,812
	9,412,941	7,659,588
Gain on foreign exchange futures	265,232	
Mortgages and other long term loans	19,306,661	19,504,001
Investment by minority interest in shares of a subsidiary	114,891	
Sale of shares	103,425	28,613
Amount due under sale commitment—Note 2	3,850,000	
	33,053,150	27,192,202
Application of funds:		
Purchase of fixed assets (including Inns under construction) and major renovations	28,523,564	22,989,803
Investments	368,011	1,418,994
Deferred expenses	1,903,986	1,511,996
Franchises	274,931	137,175
Reduction of long term debt	3,876,252	1,175,003
	34,946,744	27,232,971
Decrease in working capital	1,893,594	40,769
Working capital end of year	\$ 62,027	\$ 1,955,621

(See accompanying notes)

Auditors' Report

To the Shareholders of
Commonwealth Holiday Inns of Canada Limited.

We have examined the consolidated balance sheet of Commonwealth Holiday Inns of Canada Limited and its subsidiaries as at October 31, 1973 and the consolidated statements of earnings, retained earnings, contributed surplus and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at

October 31, 1973 and the results of their operations and the source and application of their funds for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to a modification in accounting for certain non-operating expenses in the period immediately following an Inn opening as referred to in Note 3 and an increase in tax on income for 1972 and 1971 as referred to in Note 8, with both of which we concur, on a basis consistent with that of the preceding year.

London, Canada.
January 15, 1974.

Clarkson, Gordon & Co.,
Chartered Accountants.

Notes to the Consolidated Financial Statements

October 31, 1973

1. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the company, its wholly-owned subsidiaries and its partly-owned subsidiary (65%) Allied Inn Keepers of Trinidad and Tobago Limited.

The accounts of certain branches of the company are carried in other than Canadian currency and certain debt is payable in other than Canadian currency. These are included in the accompanying consolidated financial statements in Canadian dollars on the following basis:

Current assets and current liabilities*—at the rate of exchange in effect as at the balance sheet date

Non-current assets and non-current liabilities—at the rates of exchange in effect when the assets were acquired or the liabilities incurred

Sales and expenses—at the average rate of exchange for the year

2. Amount due under sale commitment

At the time the mortgage loan for 10,737,294 Deutsch Marks was obtained, the company granted the lender an option to purchase one of its Inns for \$3,850,000 and agreed that in the event that the option was exercised, it would thereupon lease the Inn. Prior to the end of the year, the lender exercised the option with settlement to be made in early 1974 simultaneous with the mortgage repayment. (See note 6.)

In the accompanying consolidated financial statements, the Inn is included in current assets at its selling price of \$3,850,000 and the net gain realized therefrom of \$895,119, net of deferred taxes of \$587,000, has been included in deferred gains. (See note 7.)

3. Fixed assets

A major portion of the real estate and furniture and equipment is pledged to secure mortgages and other long-term debt.

In 1972 a policy was initiated with respect to the accounting for non-operating expenses (rent, interest, insurance, property taxes, depreciation and amortization) as they related to large urban Inns which open in stages over a period of time. Under the policy, such expenses were charged to income from the first opening of any part of the Inn in accordance with a scale established by reference to the percentage of rooms occupied, related to the total number of rooms in the Inn, and applicable during a period ended on the later of six months after any rooms are first available to be rented or one month after final completion of the Inn. In 1973 this policy was modified to apply to all Inn openings and the applicable period was extended to twelve months after any rooms are first available to be rented and was further modified to provide that, in any month to which the policy applied, the non-operating expenses charged against earnings would not be reduced below an amount equal to the earnings from the particular Inn immediately before such charges. Under this policy, the provision for depreciation or amortization is reduced during the applicable period and the appropriate portion of rent, interest, insurance and property taxes is added to either buildings or leasehold cost and depreciated at the company's normal rates.

This policy has been retroactively applied and accordingly, in the accompanying consolidated financial statements, prior years' figures have been adjusted to reflect this change as follows:

	Increase
1972—Fixed assets	\$280,000
Deferred taxes	150,000
Net earnings	\$130,000
Per share	\$ 0.025
1971 and prior years	NIL

The company incurs certain costs and expenses during the construction period in respect of leased Inns including building costs not paid for by the owner in addition to the rent, interest, insurance and property taxes referred to in the preceding paragraph. As at October 31, 1973, the total of these expenditures, carried as leasehold costs, amount to \$8,525,000.

For accounting purposes, depreciation and amortization is computed on a straight-line basis at the following annual rates:

Building and leaseholds, 2½%; Paving, 4%; Furniture and equipment, 9%; Swimming pools, 10%; Major renovations, **20%.

*A higher rate is applied to leaseholds if, at the time of the expenditure, the remaining term of the lease plus one renewal period is less than 40 years.

**The amortization rate of 20% reflects the continuing policy of amortizing such costs during the first sixty months commencing with the month following the completion of the program for each Inn.

4. Investments

This consists of investments in Allied Innkeepers (Bermuda) Limited and certain other companies particulars of which are as follows:

	1973	1972
Allied Innkeepers (Bermuda) Limited:		
Ordinary shares (33⅓%)—at cost	\$ 240,000	\$ 240,000
Class "A" debentures—at cost	4,769,640	4,769,640
Class "C" debentures—at cost	800,414	
Advances on open account	1,073,530	1,451,383
	6,883,584	6,461,023
Less reduction in carrying value of investment	1,262,292	1,017,292
	5,621,292	5,443,731
Shares of company in Guadeloupe (39%)	198,388	198,388
Debentures of company which owns the Inn in St. Lucia (pledged as security for certain long-term debt)	1,122,488	1,177,038
	\$6,942,168	\$6,819,157

As the company accounts for its investment in Allied Innkeepers (Bermuda) Limited on an equity basis, an additional provision of \$245,000 has been made in 1973 for the company's share of the loss of that company for its year ended September 30, 1973.

5. Deferred costs

These consist of the cost and accumulated amortization of deferred costs which have not been fully amortized at October 31, 1973.

	Cost	Accumulated amortization	1973	1972
Deferred opening and development costs	\$4,866,921	\$1,058,194	\$3,808,727	\$2,686,663
Deferred cost of borrowing	1,336,255	413,638	922,617	747,548
	\$6,203,176	\$1,471,832	\$4,731,344	\$3,434,211

During the year ended October 31, 1973, deferred costs were increased by \$1,903,986 and were reduced by amortization of

*See also Note 6.

\$606,853. Additionally, pre-opening and development costs of \$199,-900, which were fully amortized, were eliminated from the accounts.

Deferred expenses are amortized as follows:

Opening and development costs	—During the first sixty months commencing with the months following the opening of each inn
Cost of borrowing	—During the term of the respective borrowing

6. Long-term debt

Long-term debt outstanding at October 31, 1973 and 1972 consists of:

	1973	1972
Payable within one year		
(a) Real estate mortgages payable:		
8 1/2%—12 1/2% first and second mortgages due on varying dates from 1974 to 1998	\$4,422,741	\$46,032,646
Payable in currencies other than Canadian currency		
Cdn.—\$26,144,523—U.S.—\$26,350,000		
*Cdn.— 3,815,461—D.M.— 10,737,294		
*See note below.		
(b) Sinking fund debentures payable:		
7 1/2% senior debentures maturing December 1, 1979 (sinking fund payment of \$100,000 in each of the years 1974 to 1979 and \$50,000 on maturity)	100,000	650,000
7% series "A" subordinated debentures maturing June 30, 1974	200,000	200,000
6% series "B" subordinated debentures maturing June 30, 1979 (sinking fund payments of \$40,000 in each of the years 1975 to 1979)		
	200,000	200,000
	300,000	1,050,000
(c) Secured notes payable:		
6 1/2% secured notes maturing June 30, 1991, repayable semi-annually by payments of blended principal and interest at an annual amount equal to 5.03234% of the highest aggregate principal amount of notes issued commencing December 31, 1974 (secured by mortgages and first floating charge on certain property) (\$8,500,000 U.S.)	8,659,977	8,659,977
Deduct amount of secured notes assumed by Allied Innkeepers (Bermuda) Limited (\$1,730,000 U.S.) for which the company remains directly liable	1,762,477	1,762,477
	6,897,500	6,897,500
(d) Due to bankers:		
Term bank loans due—\$1,133,120 in November 1974, \$1,000,000 in October 1975 and \$1,000,000 in October 1976 (The \$1,133,120 loan is secured by the assignment of a debenture (see note 4) and the balance of \$2,000,000 is secured by a \$5,000,000 floating charge debenture and the assignment of accounts receivable)		
	3,133,120	3,177,038
(e) Interim financing repayable from proceeds of committed mortgage loans (secured by first mortgages on certain properties)		
	18,177,656	6,913,317
Payable in currencies other than Canadian currency		
Cdn.—\$7,260,443—U.S.—\$7,286,091		
	4,722,741	75,290,922
Less payable within one year		
	4,722,741	1,626,673
	70,568,181	\$54,322,311
Instalments of long-term debt (excluding any repayments which may be required on amounts presently financed on an interim basis) payable each year for the next five years are:		
1974—\$4,722,741	1977—\$3,155,517	
1975— 5,376,184	1978— 6,552,510	
1976— 8,876,578		
Note: Mortgages payable (including amounts payable within one year) include \$3,815,461 which is payable in Deutsch Marks (D.M. 10,737,294). This amount was previously carried in the accounts of the company at its historic rate of exchange in the amount of \$3,000,000. Deferred gains on foreign exchange realized in 1973 and prior years totalling \$815,461 have been transferred to mortgages payable to provide for the increased liability in Canadian funds required to repay this mortgage when it becomes due in 1974. Subsequent to the end of the year, the company contracted to purchase D.M. 4,300,000 for future delivery at a date approximating the maturity date of the mortgage. Any gain or loss on the settlement of this mortgage will be reflected in 1974 and in the opinion of management such settlement will not result in any material gain or loss. (See note 7.)		
7. Deferred gains		
These consist of:		
	1973	1972
Gain on sale and leaseback of one of the company's Inns in 1969 (net of amortization to date of \$151,018—\$115,830 in 1972)	\$ 377,181	\$412,369
Gain on sale and leaseback on properties subject to sale commitment (note 2)	895,119	
Gains on foreign exchange	*550,229	
	1,272,300	\$962,598
*The deferred gain on foreign exchange as at October 31, 1972 plus an additional realized gain in 1973 of \$265,232 totalling \$815,461, have been transferred to mortgages payable. (See note 6.)		
The gains on the sale and leaseback of the particular Inns are to be transferred to income each year on a basis which will amortize the total gains over the term of the applicable leases.		
8. Income taxes		
In the accompanying consolidated statement of earnings, the income tax provision has been based on the income for the year as		

reported in the accounts. As the company claims for income tax purposes deferred expenses as incurred and capital cost allowances in excess of depreciation, no taxes on income for the year are currently payable and accordingly, the entire income tax provision for the year of \$2,975,000 has been deferred.

Deferred taxes were further increased during the year by \$587,000 of taxes applicable to properties to be sold as referred to in note 2.

Certain land acquisition costs are deducted in arriving at taxable income in the year in which such costs are incurred; however, as these costs are part of land costs they are not written off in the accounts of the company. Such costs are considered to give rise to permanent differences between accounting and taxable income and in 1972 and 1971, the company followed the practice of reducing the amount of the provision for taxes on income deducted in arriving at net earnings. This practice was not followed in 1970 and prior years and the amounts of such permanent differences were immaterial in those years. The amount of the reduction in the provision for taxes on income was \$87,000 in 1972 (\$0.015 per share) and \$145,000 in 1971.

The company now considers that, as land acquisition costs in themselves do not affect earnings, the amount of the provision for taxes on income deducted in arriving at net earnings should not have been reduced in those years and accordingly, in the accompanying consolidated financial statements, prior years' figures have been adjusted to reflect this change.

9. Capital

During the year ended October 31, 1973, the company issued 9,850 common shares on the exercise of certain employee options for \$103,425 cash allocated as follows:

Capital stock	\$ 9,850
Contributed surplus	93,575
<hr/>	

\$103,425

As at October 31, 1973, common shares are reserved as follows:

For issuance at \$2 per share under share purchase warrants expiring June 30, 1978 issued to holders of the 7½% senior debentures	250,000
For issuance at \$8 per share under share purchase warrants expiring November 1, 1984	250,026
For issuance to employees	
—at \$10.90 per share	29,600
—at 10% below market price at date option is granted	20,400 50,000
	550,026

*Subsequent to the end of the year, the options granted to employees to purchase common shares at \$10.90 per share were cancelled and new options were granted to purchase 27,300 common shares at \$7.00 per share.

10. Restrictions on dividends

The sinking fund debentures were issued under trust indentures which contain various restrictions on or affecting the payment of dividends (other than stock dividends), the redemption or retirement of shares or the making of any other distributions to shareholders. As at October 31, 1973, under the most restrictive provision, \$2,957,000 was available for any such distributions.

11. Contingent liabilities and commitments

The company is contingently liable with respect to certain indebtedness and commitments assumed by Allied Innkeepers (Bermuda) Limited in connection with the sale of net assets to that company in 1972. As at October 31, 1973, such indebtedness of Allied Innkeepers (Bermuda) Limited amounts to \$611,000 and such commitments which relate to lease payments over the next twenty-one years in respect of two Caribbean Inns amount to \$11,277,000.

These amounts are in addition to the \$1,762,477 of 6½% secured notes which were assumed by Allied Innkeepers (Bermuda) Limited for which the company remains directly liable. (See note 6).

The cost to complete Inns under construction as at October 31, 1973 has been estimated at \$23,300,000 extending into 1975, no portion of which is reflected in the accompanying consolidated financial statements.

Certain of the mechanics liens, registered against two of the company's Inns during 1971 by reason of the insolvency of the general

contractor engaged to construct these Inns, remain unsettled as at October 31, 1973. In the opinion of the company's solicitor, after all adjustments have been made, the company will not suffer losses in respect of the properties referred to above in excess of amounts included in liabilities in the accompanying consolidated financial statements.

12. Long-term leases and fees

The company has entered into agreements to lease properties which are operated as Inns for periods varying from 5 to 91 years at total minimum rentals for the remaining terms of the leases of approximately \$354,000,000. Total minimum fixed rentals per year as at October 31, 1973 approximate \$7,600,000. In the case of certain leases, increased rentals may be payable if Inn revenues exceed specified amounts. Certain leases provide the company with options to purchase the leased properties. The company has also entered into agreements to lease additional properties to be operated as Inns in the future for 20-30 year periods at annual minimum rentals of approximately \$1,000,000.

Under its agreements with Holiday Inns, Inc., the company is required to pay royalties and assessments for advertising and other services which currently amount to approximately \$2,175,000 annually. It has also entered into miscellaneous equipment leases extending to August 1980 which require annual rental payments of approximately \$1,198,000 (\$8,200,000 for the remaining terms of the leases).

Rentals which are determined as a percentage of revenues with no minimum amounts are excluded from the calculation of the above amounts.

Under the terms of the agreement relating to the 6½% secured notes, the company has agreed not to permit minimum annual lease obligations on real property located in Canada and continental United States to exceed 12% of the net book value of the company's fixed assets located within these two countries. As at October 31, 1973, these minimum annual lease obligations were less than 12% of the net book value of the applicable fixed assets.

13. Statutory information

The aggregate direct remuneration paid or payable by the company and its subsidiaries to directors and senior officers amounted to \$549,000 for the year ended October 31, 1973 (\$478,000 in 1972). This remuneration includes directors' fees of \$9,991 for 1973 and \$9,748 for 1972.

The liability in respect of past service pension costs not provided for in the accompanying consolidated financial statements as at October 31, 1973 amounts to \$517,000. This amount is to be paid in annual installments of \$40,800 over the next four years and \$32,100 over the following eleven years. During 1973, past service pension costs totalling \$40,300 were charged to expense. All other pension costs are provided and paid for in the year in which such costs are incurred.

14. Appraisal value of real estate

Fixed assets and major renovations related to the company's owned Inns (excluding Inns under construction), which are included in the accompanying consolidated balance sheet at a net book value of \$43,962,000, have an appraisal value of \$70,400,000 based on appraisals by Metropolitan Trust Company during 1973 with subsequent additions at cost. These appraisal values represent depreciated replacement cost of all of the Inn assets plus a value which has been attributed to the Holiday Inn franchises and approximate values which have been arrived at on a capitalization of earnings basis. Appraisal values arrived at are in excess of appraisal values reported in prior years which took into consideration only the depreciated replacement cost of the land and buildings of the company's owned Inns at those dates.

15. Earnings per share

Earnings per share have been calculated for both 1973 and 1972 on the weighted average number of common shares actually outstanding during the respective years. Fully diluted earnings per share have not been shown for either year as the difference from earnings per share is immaterial.

Ten Year Financial Review

(in thousands)

	1973	1972*	1971*	1970	1969	1968	1967	1966	1965	1964
Results for the year										
Sales	\$ 75,909	\$ 56,843	\$ 43,024	\$ 33,259	\$ 25,432	\$ 17,654	\$ 12,454	\$ 7,062	\$ 3,567	\$ 2,651
Earnings Before Taxes on Income	5,616	4,589	3,351	2,805	2,510	1,337	917	227	106	(113)
Provision for Income Taxes	2,975	2,424	1,770	1,475	1,333	695	481	122	55	(57)
Net Earnings for the Year**	2,641	2,165	1,564	1,277	1,122	586	406	112	51	(56)
Cash Flow from Operations***	9,413	7,660	5,500	4,620	3,877	2,375	1,726	691	384	146
Depreciation and Amortization	3,588	2,786	2,184	1,850	1,379	1,038	778	478	277	271
Additions to Plant and Equipment****	28,524	22,990	18,460	10,954	10,996	7,653	3,224	5,053	3,081	550
Year end position										
Working Capital	\$ 62	\$ 1,956	\$ 1,996	\$ 716	\$ 184	\$ 592	(\$ 964)	(\$ 421)	(\$ 1,447)	(\$ 2,052)
Fixed Assets at Cost****	100,036	75,104	58,823	43,804	32,918	25,025	17,274	13,967	8,965	6,009
Total Assets	119,592	89,516	66,243	49,571	36,031	27,052	17,856	15,596	10,502	6,729
Long Term Debt	70,568	54,322	38,726	32,333	22,593	21,545	13,776	12,114	7,462	3,896
Shareholders' Equity	19,337	16,593	14,399	8,066	6,783	1,932	1,372	1,015	53	2
General statistics										
Preference Shares Outstanding	4	4	4	4	4	4	4	4	4	4
Common Shares										
– Outstanding	5,318	5,308	5,305	2,427	2,411	2,050	2,050	2,050	2,000	2,000
– Reserved for Conversion and Options	550	565	517	3,964	3,959	3,950	675	675	675	675
– Total Outstanding and Reserved	5,868	5,873	5,822	6,391	6,370	6,000	2,725	2,725	2,000	2,000
Inns in Operation	46	39	34	27	23	17	14	10	5	3
Rooms in Operation	9,255	7,400	5,754	4,164	3,499	2,558	2,166	1,441	639	440

*Restated to reflect a modification in accounting for certain non-operating expenses in the period immediately following an inn opening and for an increase in taxes on income.

**After dividends on preference shares.

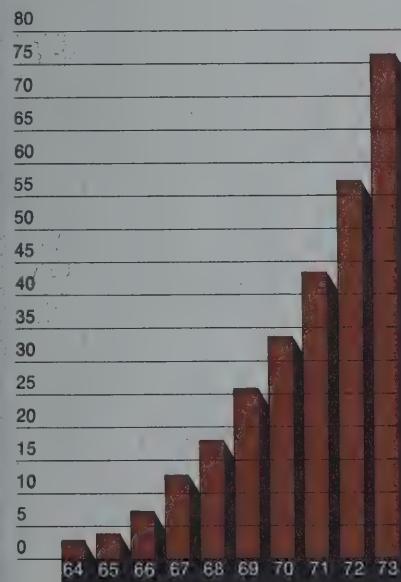
***Cash flow consists of net earnings plus charges against net earnings which do not require an outlay of funds.

****Includes construction in progress and unamortized cost of major renovations.

Ten Years of Growth

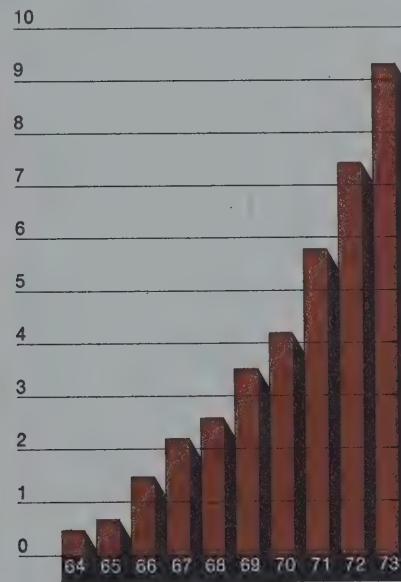
Sales

millions of dollars



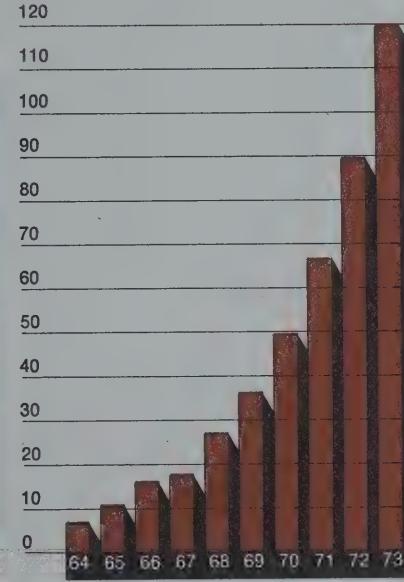
Total rooms end of period

thousands



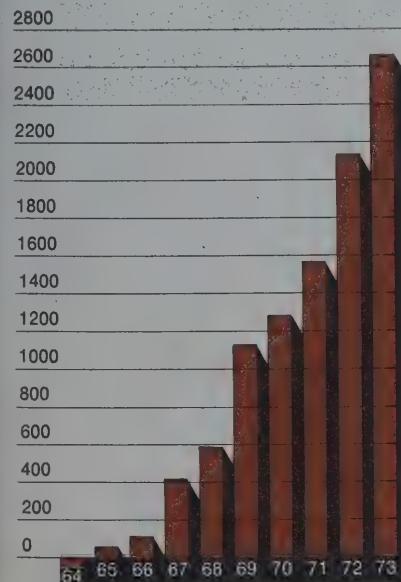
Total assets

millions of dollars



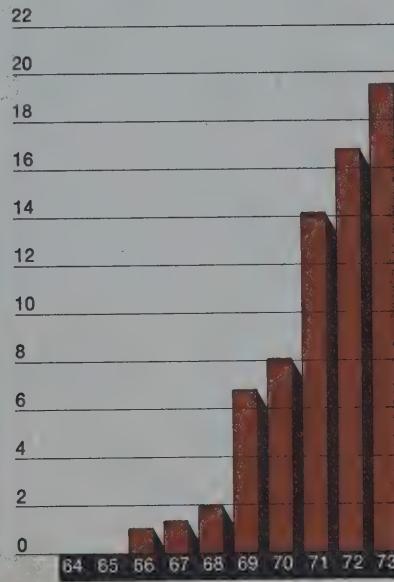
Net earnings

thousands of dollars



Shareholders' equity

millions of dollars



Inns and Innkeepers

Alberta

Edmonton, *Fred Piefke*
Lethbridge, *Werner Denzer*

Manitoba

Winnipeg, *Derek Toms*

Ontario

Kenora, *Donald Beard*
Thunder Bay, *Peter Pappoulas*
Sudbury, *Murray Ede*
Windsor, *John Brezsnyak*
Chatham, *Robert Moore*
Sarnia, *Ted Isaac*
London-South, *Douglas Escott*
London-Downtown, *Isaac Siskind*
Kitchener, *Donald MacAfee*
Cambridge, *Gus Kuppers*
Brantford, *Randy Pringle*
Hamilton, *Irvine Phillips*
Burlington, *Anthony Miele*
St. Catharines, *Dario Pozzy*
Oakville, *Martin Larkin*
Toronto-Downtown, *Rudy Berger*
Toronto-Don Valley, *Joseph Slomka*
Toronto-Yorkdale, *Bernhard Kainer*
Toronto-East, *Roger Croxall*
Toronto-West, *Ed Conrad*
Toronto-Airport, *Dokse Perklin*
Oshawa, *Henri Lajoie*
Barrie, *Monica Andersen*
Collingwood, *Bruce Lee*
Huntsville, *Terrance O'Brien*
Peterborough, *Leonard Moran*
Kingston, *Gerrard Leyendeckers*
Ottawa-Downtown, *Ingo Koch*
Ottawa-Centre, *Nick Thompson-Wood*

Québec

Montréal-Longueuil, *Guy Warnery*

Nova Scotia

Halifax-Downtown, *Larry Henay*
(opening Spring 1974)
Sydney, Karl Stein

Michigan

Pontiac, *Kenneth Pfetsch*
Port Huron, *John Freier*

New York

Grand Island-Buffalo/Niagara,
Ed Schwannecke

United Kingdom

Plymouth, *Tony Forster*
London-Marble Arch, *F. V. Ternofsky*
London-Swiss Cottage, *Peter Hollaus*
Slough/Windsor, *Jan Hurecht*
Bristol, *John Vinkenbrink*

Portugal

Madeira, *Georges Villedary*

France

Tignes-Val d'Isère,
Jean-Pierre Amberg

Caribbean

Antigua, *Eduard Van Empel*
Grenada, *Robert Perrin*
Barbados, *Javier Benavente*
St. Lucia, *Malcolm Teixeira*
St. Kitts, *Hyacinth Lord*
Port of Spain, *Trinidad, George Bruni*
Innkeeper at Large, *Carsten Flindt*

Under construction

British Columbia

Vancouver-Harbour Side**
Vancouver-Broadway*

Saskatchewan

Saskatoon**

Ontario

Sault Ste. Marie*
Owen Sound*
London-City Centre**
Cornwall*

Québec

Pointe Claire*
Québec City**
Sherbrooke*
Montréal-Dominion Square**

United Kingdom

Newcastle*

Portugal

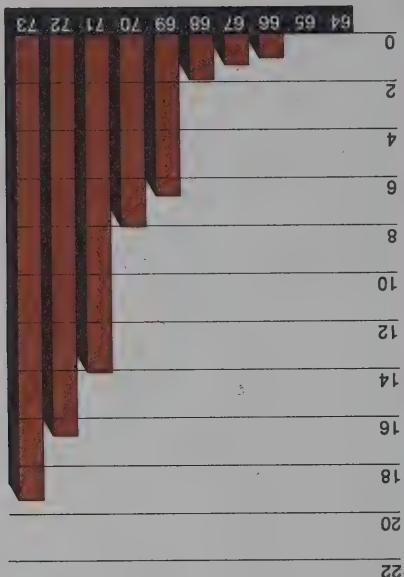
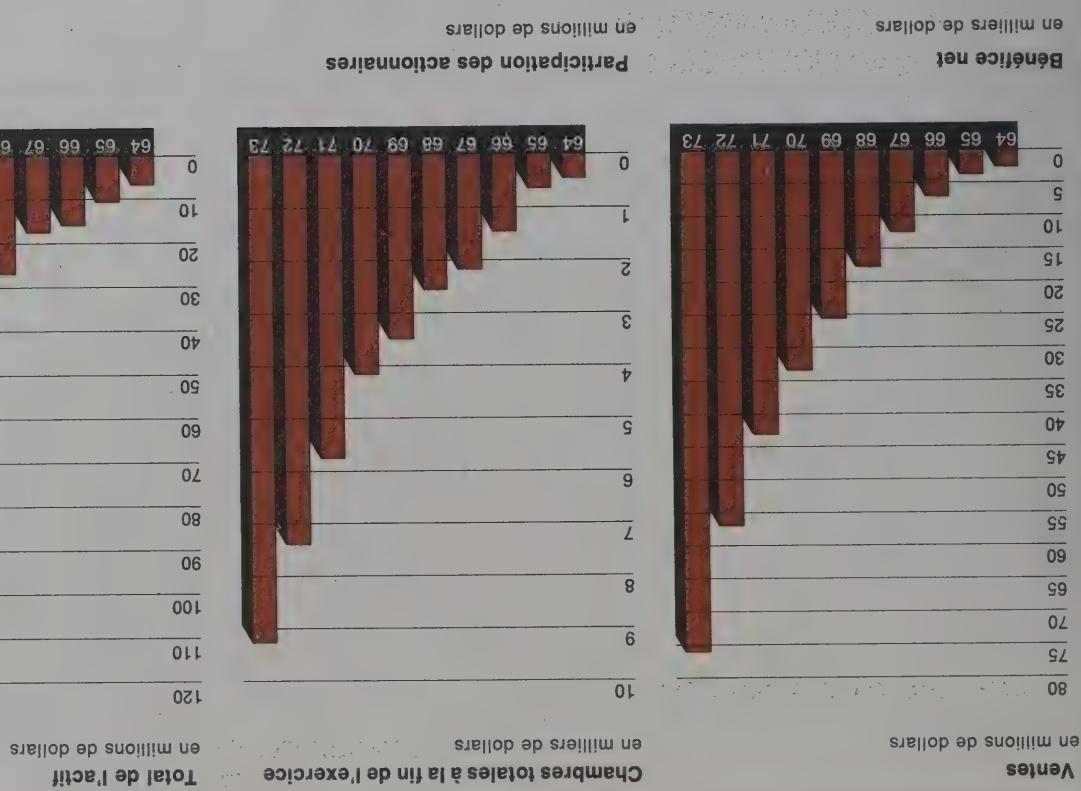
Algarve**
Lisbon**
Estoril*

*Opening 1974

**Opening 1975-76

Hotels et gérants d'hôtels

Dix années de croissance



Recapitulation financière de dix années

(en millions de dollars)

Résultats pour l'année											
Ventes	\$ 75,909	\$ 56,843	\$ 43,024	\$ 33,259	\$ 25,432	\$ 17,654	\$ 12,454	\$ 7,062	\$ 3,567	\$ 2,651	
Provision pour impôt sur revenu	2,975	2,424	1,770	1,475	1,333	917	227	106	(113)	(57)	
Bénéfices avant impôt	5,616	4,659	3,351	2,805	2,510	1,337	695	481	122	55	
Benefices net pour l'année**	2,641	2,165	1,564	1,277	1,122	686	406	112	51	51	(56)
Fonds autogénérés***	9,413	7,660	5,500	4,620	3,877	2,375	1,726	691	384	146	
Dépréciation et amortissement	3,588	2,786	2,184	1,850	1,379	1,038	778	478	277	271	
Agrandissements et équipement****	28,524	22,990	18,460	10,954	10,996	7,653	3,224	5,053	3,081	550	
Situation en fin d'année											
Fonds de roulement	\$ 62	\$ 1,956	\$ 1,996	\$ 716	\$ 184	\$ 592	(\$ 964)	(\$ 421)	(\$ 1,447)	(\$ 2,052)	
Immobilisations au prix de revient****	100,036	75,104	58,823	43,804	32,918	25,025	17,274	13,967	8,965	6,009	
Total de l'actif	119,592	89,516	66,243	49,571	36,031	27,052	17,856	15,596	10,502	6,729	
Dette à longue échéance	70,568	54,322	38,726	32,333	22,593	21,545	13,776	12,114	7,462	3,896	
Participation des actionnaires	19,337	16,593	14,399	8,066	6,783	1,932	1,372	1,015	53	2	
Actions privilégiées en cours											
Actions ordinaires											
- en cours	5,318	5,308	5,305	2,427	2,411	2,050	2,050	2,000	2,000		
- réservées pour conversion et option	550	565	517	3,964	3,959	3,950	675	675			
- totale, réservées et en cours	5,868	5,873	5,822	6,391	6,370	6,000	2,725	2,725	2,000		
Hôtels exploités	46	39	34	27	23	17	14	10	5	3	
Chambres exploitées	9,255	7,400	5,754	4,164	3,499	2,558	2,166	1,441	639	440	

...Comprend constructions en cours et coût non amorti des renovations importantes.

...Les fonds autogénérés (cash flow) représentent le bénéfice net plus les frais n'entraînant pas de déboursés imputés sur le bénéfice net.

...Les fonds réservés sur actions privilégiées.

...Après taxes déboursés pour certaines dépenses survenues immédiatement après l'ouverture du bilan 1972 a été redressé afin de refléter une modification complète pour certaines dépenses survenues immédiatement après l'ouverture du

Administrator
of the
University

Pour le Conseil:

\$119,591,737 \$89,516,127

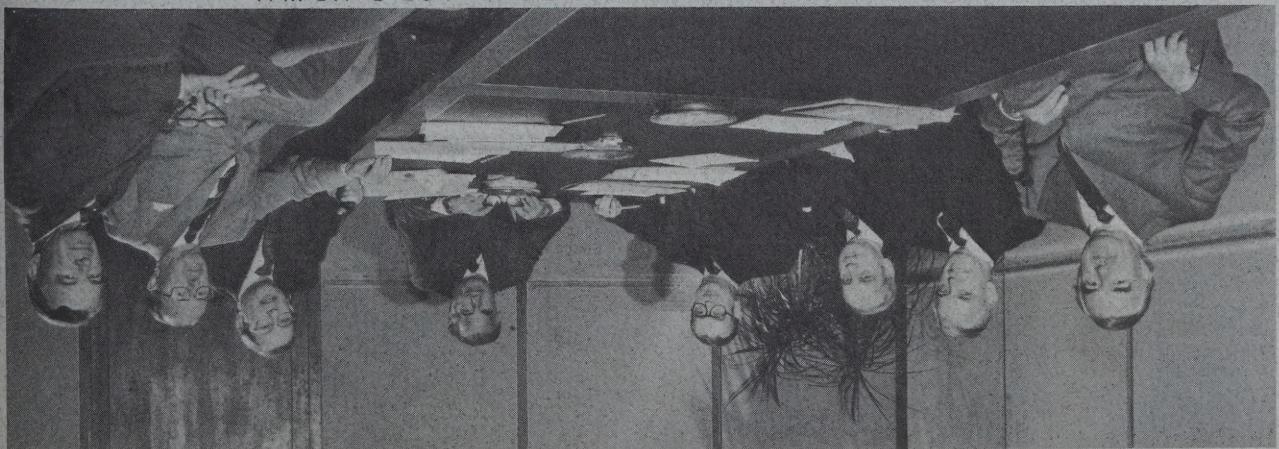
Bilan consolidé

31 octobre 1973 (avec montants comparatifs pour 1972)

ACTIF	1973	1972	Actif à court terme:
Encaisse	\$ 4,130,928	\$ 5,186,795	Comptes à recevoir
	5,728,805	4,125,155	Montant à recevoir en vertu d'un engagement de vente—Note 2
	3,850,000	1,052,133	Stocks—au moins de la valeur nette de réalisation
	1,606,687	1,021,308	Frais payés d'avance
	1,021,308	768,111	Batiments et immeubles loués
	32,706,768	32,591,799	Terreins
	22,546,880	20,299,406	Mobilier et matériel, pavage, piscines, etc.
	69,706,690	56,854,549	Molins amortissemens accumulés
	9,141,739	7,584,417	Immobilisations—au court—Notes 3 et 14:
	60,564,951	49,270,132	Renovations majeures (mises amortissemens à ce jour de \$759,246 en 1973)
	2,041,868	1,605,668	et \$559,879 en 1972)
	62,606,819	50,875,800	Hôtels en construction—au court (y compris le coût des terrains de
	27,527,740	16,083,758	\$3,530,916 en 1973; \$3,043,300 en 1972)
	6,942,168	6,819,157	Placements—Note 4
	1,445,938	1,171,007	Frais d'ouverture et de développement—net—Note 5
	922,617	747,548	Frais d'empunt—net—Note 5
	3,808,727	2,686,663	Frais reportés et concessions:
	6,177,282	4,605,218	Concessions—Holiday Inns, Inc.—au court
	\$119,591,737	\$89,516,127	(Voir les notes ci-jointes)

ETAT CONSOLIDÉ DES BÉNÉFICES		Exercice terminé le 31 octobre 1973 (avec montants comparatifs pour 1972)	
Ventes (y compris les honoraires de gestion de \$490,677 en 1973, \$333,933 en 1972)	\$75,909,304	\$56,842,588	\$16,362,025
Bénéfice d'exploitation avant les frais numéros ci-dessous	\$21,592,610	\$21,592,610	\$21,592,610
Amortissement des frais reportés—Note 3	5,283,504	2,347,803	437,773
Amortissement—Note 5	7,942,355	2,980,682	406,853
Intérêt sur la dette à long terme	11,732,016	4,202,126	3,383,745
Participation aux pertes d'une compagnie affiliée—Note 4	4,909,200	5,860,594	245,000
Bénéfice de l'exercice avant impôts sur le revenu	5,615,594	4,589,200	2,424,000
Impôts sur le revenu reportés—Note 8	5,615,594	4,589,200	2,424,000
Bénéfice net de l'exercice	\$2,640,594	\$2,165,200	\$0,41
Bénéfice par action—Note 15	\$0.50	\$0.50	\$0.41
ETAT CONSOLIDÉ DES BÉNÉFICES NON RÉPARTIS		1972	
Bénéfice au début de l'exercice, tel que rapproché précédent	1973	\$7,213,847	\$5,091,647
Redressements concernant —			
La modification de la méthode comptable à l'égard de certaines dépenses autres que celles d'exploitation dans la période suivant l'immédiatement suivant la date de l'ouverture d'un hôtel—Note 3	130,000	(232,000)	(145,000)
La augmentation des impôts sur le revenu pour 1972 et 1971—Note 8	130,000	(232,000)	(145,000)
ETAT CONSOLIDÉ DU SURPLUS D'APPORT		1972	
Bénéfice net de l'exercice	2,640,594	2,165,200	2,111,847
Solde au début de l'exercice, tel que rapproché	1973	\$9,752,441	\$7,111,847
Solde à la fin de l'exercice			
Exécutif au début de l'exercice	\$4,173,450	\$4,147,562	25,888
Ordinaires émis au cours de l'exercice—Note 9	93,575	93,575	
Solde à la fin de l'exercice			\$4,173,450

Directeurs et administrateurs



Faits saillants de l'exercice financier

Terminé le 31 octobre 1973 (Devises canadiennes)

1973	1972*	Variations	\$ 75,909,304	\$ 56,842,588	+34%
Benefice avant impôts			\$ 5,615,594	\$ 4,589,200	+22%
Provision pour impôts sur le revenu*			\$ 2,975,000	\$ 2,424,000	
Benefice net			\$ 2,640,594	\$ 2,165,200	+22%
Par action			50¢	41¢	
Fonds autogénères (cash flow)***			\$ 9,412,941	\$ 7,659,588	+23%
Par action			\$1.77	\$1.44	
Fonds de roulement			\$ 62,027	\$ 1,955,621	
Additions—l'immobilisation			\$ 28,523,564	\$ 22,989,803	
Total de l'actif à la fin de l'exercice			\$ 119,591,737	\$ 89,516,127	+34%
Le bilan 1972 a été redressé afin de refléter une modification pour certaines dépenses survenues immédiatement après l'ouverture d'un hôtel et pour une augmentation des impôts sur le revenu.	...Les fonds autogénères (cash flow) représentent le bénéfice net plus les frais n'entraînant pas de débourses imputées sur le bénéfice net.				
304 York Street	London, Ontario N6P 1P8	ÉTATS-UNIS	New York, New York	Buffalo, New York	EUROPE
22	23	Contentu	Faits saillants	Renseignements d'ordre général	Anglétère
2	3		Rapport aux actionnaires	Directeurs et administrateurs	128 King Henry's Road
2	3		Renseignements d'ordre général	Renseignements financiers	Holiday Inn, Swiss Cottage
2	3		Faits saillants	Rapport des vérificateurs	London, NW3 3ST
2	3			Recapitulation financière de dix années	Anglétère
2	3			Agents d'immatriculation et de transferts	Impériale Bank of Commerce Building
2	3			La vente d'immobilisation des actions ordinaires est la Compagnie fiducière Canada Permanente, siège de Minipégi, Reginia, Calgary et Vancouver. L'agent des transferts des actions ordinaires est la Compagnie fiducière Canada Permanente, siège de Toronto, Montréal, Londres, siège de Compagnie Trust Royal, siège de Vancouver, Calgary et Vancouver.	Room 303
14	15				Calgary, Atta, Toronto, Ont., Montréal, Québec, C.-B., Vancouver, C.-B.
13	14				

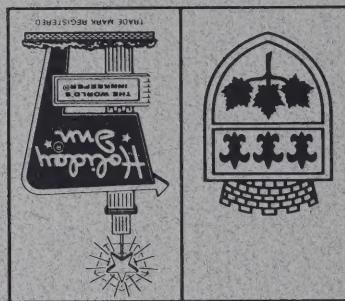
Renseignements d'ordre général

Le bilan 1972 a été redressé afin de refléter une modification pour certaines dépenses survenues immédiatement après l'ouverture d'un hôtel et pour une augmentation des impôts sur le revenu.

Il y avait aucun impôt sur le revenu à payer en 1973 et 1972, bien qu'une provision complète pour impôts reportés ait été prévue.

Les fonds autogénères (cash flow) représentent le bénéfice net plus les frais n'entraînant pas de débourses imputées sur le bénéfice net.

Ventes	\$ 75,909,304	\$ 56,842,588	+34%
Benefice avant impôts	\$ 5,615,594	\$ 4,589,200	+22%
Provision pour impôts sur le revenu*	\$ 2,975,000	\$ 2,424,000	
Benefice net	\$ 2,640,594	\$ 2,165,200	+22%
Par action	50¢	41¢	
Fonds autogénères (cash flow)***	\$ 9,412,941	\$ 7,659,588	+23%
Par action	\$1.77	\$1.44	
Fonds de roulement	\$ 62,027	\$ 1,955,621	
Additions—l'immobilisation	\$ 28,523,564	\$ 22,989,803	
Total de l'actif à la fin de l'exercice	\$ 119,591,737	\$ 89,516,127	+34%



Rapport annuel 1973

OF CANADA LIMITÉ
Holiday Inn
COMMONWEALTH
